

# FORTRESS<sup>®</sup> Funds

2017 Annual Financial Statements



FaithLife  
FINANCIAL

Financial Statements of

**FAITHLIFE FINANCIAL  
SEGREGATED FUNDS**

Year ended December 31, 2017



KPMG LLP  
115 King Street South  
2nd Floor  
Waterloo ON N2J 5A3  
Canada  
Tel 519-747-8800  
Fax 519-747-8830

## INDEPENDENT AUDITORS' REPORT

To the Members and Board of Directors of FaithLife Financial and to the Contractholders of FaithLife Financial Segregated Funds (the "Funds"):

Asia Pacific Equity Fund	Canadian Equity Fund (Indexed)
Balanced Fund (Jarislowsky)	Canadian Equity Fund (Value)
Balanced Fund (Laketon)	Canadian Small Cap Equity Fund
Balanced Fund (McLean Budden)	Enhanced Dividend Fund
Balanced Fund (Scheer Rowlett)	European Equity Fund
Balanced Fund (TDQC)	Global Bond Fund
Canadian Bond Fund (Indexed)	Global Equity Fund 2
Canadian Bond Fund	Global Equity Fund
Canadian Equity Fund (Core 2)	International Equity Fund (Indexed)
Canadian Equity Fund (Core)	Money Market Fund 2
Canadian Equity Fund (Growth 2)	Money Market Fund
Canadian Equity Fund (Growth)	U.S. Equity Fund (Indexed)

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position and schedules of investments of each of the Funds as at December 31, 2017 and December 31, 2016 and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Page 2

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Funds and its investments as at December 31, 2017 and December 31, 2016 and the results of its operations, its changes in net assets attributable to contractholders and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the right end.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada  
February 21, 2018

## SEGREGATED FUNDS - FORTRESS

### Statement of Financial Position

As at December 31, 2017 and December 31, 2016

(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>										
Investments at fair value	\$ 1,700	\$ 1,642	\$ 6,740	\$ 8,658	\$ 354	\$ 371	\$ 6,784	\$ 7,404	\$ 4,809	\$ 4,825
Net assets attributable to contractholders	\$ 1,700	\$ 1,642	\$ 6,740	\$ 8,658	\$ 354	\$ 371	\$ 6,784	\$ 7,404	\$ 4,809	\$ 4,825
Net assets attributable to contractholders, per unit	\$ 80.06	\$ 80.11	\$ 174.24	\$ 174.21	\$ 17.32	\$ 17.61	\$ 76.41	\$ 73.15	\$ 24.13	\$ 22.31
	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>										
Investments at fair value	\$ 56,240	\$ 56,123	\$ 2,398	\$ 2,732	\$ 1,416	\$ 1,702	\$ 6,341	\$ 6,782	\$ 3,692	\$ 8,109
Net assets attributable to contractholders	\$ 56,240	\$ 56,123	\$ 2,398	\$ 2,732	\$ 1,416	\$ 1,702	\$ 6,341	\$ 6,782	\$ 3,692	\$ 8,109
Net assets attributable to contractholders, per unit	\$ 49.62	\$ 46.42	\$ 35.03	\$ 32.53	\$ 33.43	\$ 32.29	\$ 368.68	\$ 341.75	\$ 25.07	\$ 25.84
	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund					
	2017	2016	2017	2016	2017	2016				
<b>ASSETS</b>										
Investments at fair value	\$ 2,206	\$ 2,148	\$ 544	\$ 615	\$ 373	\$ 387				
Net assets attributable to contractholders	\$ 2,206	\$ 2,148	\$ 544	\$ 615	\$ 373	\$ 387				
Net assets attributable to contractholders, per unit	\$ 105.99	\$ 94.56	\$ 17.34	\$ 13.77	\$ 29.21	\$ 26.15				

## SEGREGATED FUNDS - FORTRESS 2

### Statement of Financial Position

As at December 31, 2017 and December 31, 2016

(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>										
Investments at fair value	\$ 140	\$ 142	\$ 161	\$ 238	\$ 272	\$ 268	\$ 605	\$ 610	\$ 256	\$ 290
Net assets attributable to contractholders	\$ 140	\$ 142	\$ 161	\$ 238	\$ 272	\$ 268	\$ 605	\$ 610	\$ 256	\$ 290
Net assets attributable to contractholders, per unit	\$ 11.63	\$ 11.60	\$ 18.54	\$ 18.51	\$ 24.82	\$ 23.88	\$ 25.11	\$ 23.52	\$ 22.25	\$ 21.29
	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>										
Investments at fair value	\$ 252	\$ 257	\$ 234	\$ 264	\$ 131	\$ 144	\$ 30	\$ 27	\$ 52	\$ 56
Net assets attributable to contractholders	\$ 252	\$ 257	\$ 234	\$ 264	\$ 131	\$ 144	\$ 30	\$ 27	\$ 52	\$ 56
Net assets attributable to contractholders, per unit	\$ 44.57	\$ 43.09	\$ 28.88	\$ 27.48	\$ 49.37	\$ 46.34	\$ 21.64	\$ 19.57	\$ 22.65	\$ 19.73
	International Equity Fund (Indexed)									
	2017	2016								
<b>ASSETS</b>										
Investments at fair value	\$ 62	\$ 83								
Net assets attributable to contractholders	\$ 62	\$ 83								
Net assets attributable to contractholders, per unit	\$ 17.68	\$ 15.52								

## SEGREGATED FUNDS - FORTRESS

### Statement of Comprehensive Income

Years ended December 31, 2017 and December 31, 2016

(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Income</b>										
Investment income (loss)	\$ 10	\$ 11	\$ 220	\$ 206	\$ 4	\$ (4)	\$ 521	\$ 439	\$ 536	\$ 280
<b>Expenses</b>										
Management and administrative fees	12	13	206	256	10	11	205	221	142	144
Net increase (decrease) in net assets from operations attributable to contractholders	\$ (2)	\$ (2)	\$ 14	\$ (50)	\$ (6)	\$ (15)	\$ 316	\$ 218	\$ 394	\$ 136

Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ (0.10)	\$ (0.09)	\$ 0.31	\$ (0.92)	\$ (0.29)	\$ (0.66)	\$ 3.29	\$ 2.01	\$ 1.85	\$ 0.59
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	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Income</b>										
Investment income (loss)	\$ 5,569	\$ 10,922	\$ 269	\$ 619	\$ 105	\$ 341	\$ 688	\$ 651	\$ (165)	\$ 2,024
<b>Expenses</b>										
Management and administrative fees	1,676	1,518	82	80	48	48	193	205	177	275
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 3,893	\$ 9,404	\$ 187	\$ 539	\$ 57	\$ 293	\$ 495	\$ 446	\$ (342)	\$ 1,749

Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ 3.17	\$ 7.50	\$ 2.42	\$ 6.18	\$ 1.14	\$ 5.29	\$ 26.50	\$ 20.71	\$ (1.77)	\$ 5.39
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	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2017	2016	2017	2016	2017	2016
<b>Income</b>						
Investment income (loss)	\$ 316	\$ 193	\$ 161	\$ (16)	\$ 54	\$ (7)
<b>Expenses</b>						
Management and administrative fees	65	64	19	19	12	11
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 251	\$ 129	\$ 142	\$ (35)	\$ 42	\$ (18)

Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ 11.51	\$ 5.33	\$ 3.70	\$ (0.76)	\$ 2.85	\$ (1.19)
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## SEGREGATED FUNDS - FORTRESS 2

### Statement of Comprehensive Income

Years ended December 31, 2017 and December 31, 2016

(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Income</b>										
Investment income (loss)	\$ 2	\$ (1)	\$ 5	\$ 5	\$ 17	\$ 20	\$ 56	\$ 72	\$ 19	\$ 16
<b>Expenses</b>										
Management and administrative fees	1	-	4	6	7	8	17	20	6	6
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1	\$ (1)	\$ 1	\$ (1)	\$ 10	\$ 12	\$ 39	\$ 52	\$ 13	\$ 10
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ 0.08	\$ (0.17)	\$ 0.10	\$ (0.06)	\$ 0.90	\$ 0.95	\$ 1.54	\$ 1.56	\$ 0.99	\$ 0.67

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Income</b>										
Investment income (loss)	\$ 16	\$ 50	\$ 19	\$ 46	\$ 13	\$ 30	\$ 4	\$ -	\$ 10	\$ 2
<b>Expenses</b>										
Management and administrative fees	7	8	7	12	3	3	1	1	2	2
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 9	\$ 42	\$ 12	\$ 34	\$ 10	\$ 27	\$ 3	\$ (1)	\$ 8	\$ -
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ 1.56	\$ 5.68	\$ 1.38	\$ 1.95	\$ 3.43	\$ 7.22	\$ 2.15	\$ (0.57)	\$ 3.22	\$ -

	International Equity Fund (Indexed)	
	2017	2016
<b>Income</b>		
Investment income (loss)	\$ 12	\$ (2)
<b>Expenses</b>		
Management and administrative fees	2	2
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 10	\$ (4)
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ 2.50	\$ (0.73)



## SEGREGATED FUNDS - FORTRESS

### Statement of Changes in Net Assets Attributable to Contractholders

Years ended December 31, 2017 and December 31, 2016

(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Net assets attributable to contractholders, beginning of year</b>	\$ 1,642	\$ 1,776	\$ 8,658	\$ 10,240	\$ 371	\$ 376	\$ 7,404	\$ 8,333	\$ 4,825	\$ 5,145
Contractholders' contributions	25	95	161	425	26	69	108	191	122	184
Transfers between funds	393	166	(124)	51	38	18	(227)	(1)	101	73
Contractholders' withdrawals	(358)	(393)	(1,969)	(2,008)	(75)	(77)	(817)	(1,337)	(633)	(713)
Net increase (decrease) in net assets from operations attributable to contractholders	(2)	(2)	14	(50)	(6)	(15)	316	218	394	136
<b>Net assets attributable to contractholders, end of year</b>	<b>\$ 1,700</b>	<b>\$ 1,642</b>	<b>\$ 6,740</b>	<b>\$ 8,658</b>	<b>\$ 354</b>	<b>\$ 371</b>	<b>\$ 6,784</b>	<b>\$ 7,404</b>	<b>\$ 4,809</b>	<b>\$ 4,825</b>

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Net assets attributable to contractholders, beginning of year</b>	\$ 56,123	\$ 50,660	\$ 2,732	\$ 2,464	\$ 1,702	\$ 1,602	\$ 6,782	\$ 7,446	\$ 8,109	\$ 6,940
Contractholders' contributions	2,943	1,813	44	40	37	18	79	107	77	155
Transfers between funds	3,799	(68)	(204)	(34)	(157)	(21)	(149)	(45)	(3,467)	(111)
Contractholders' withdrawals	(10,518)	(5,686)	(361)	(277)	(223)	(190)	(866)	(1,172)	(685)	(624)
Net increase (decrease) in net assets from operations attributable to contractholders	3,893	9,404	187	539	57	293	495	446	(342)	1,749
<b>Net assets attributable to contractholders, end of year</b>	<b>\$ 56,240</b>	<b>\$ 56,123</b>	<b>\$ 2,398</b>	<b>\$ 2,732</b>	<b>\$ 1,416</b>	<b>\$ 1,702</b>	<b>\$ 6,341</b>	<b>\$ 6,782</b>	<b>\$ 3,692</b>	<b>\$ 8,109</b>

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2017	2016	2017	2016	2017	2016
<b>Net assets attributable to contractholders, beginning of year</b>	\$ 2,148	\$ 2,215	\$ 615	\$ 729	\$ 387	\$ 430
Contractholders' contributions	29	81	9	11	17	6
Transfers between funds	(13)	(5)	(31)	(20)	39	(6)
Contractholders' withdrawals	(209)	(272)	(191)	(70)	(112)	(25)
Net increase (decrease) in net assets from operations attributable to contractholders	251	129	142	(35)	42	(18)
<b>Net assets attributable to contractholders, end of year</b>	<b>\$ 2,206</b>	<b>\$ 2,148</b>	<b>\$ 544</b>	<b>\$ 615</b>	<b>\$ 373</b>	<b>\$ 387</b>

## SEGREGATED FUNDS - FORTRESS 2

### Statement of Changes in Net Assets Attributable to Contractholders

Years ended December 31, 2017 and December 31, 2016  
(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Net assets attributable to contractholders, beginning of year</b>	\$ 142	\$ 83	\$ 238	\$ 323	\$ 268	\$ 294	\$ 610	\$ 879	\$ 290	\$ 318
Contractholders' contributions	-	10	2	5	4	3	3	3	4	7
Transfers between funds	-	82	(10)	5	-	(15)	7	(3)	-	(21)
Contractholders' withdrawals	(3)	(32)	(70)	(94)	(10)	(26)	(54)	(321)	(51)	(24)
Net increase (decrease) in net assets from operations attributable to contractholders	1	(1)	1	(1)	10	12	39	52	13	10
<b>Net assets attributable to contractholders, end of year</b>	<b>\$ 140</b>	<b>\$ 142</b>	<b>\$ 161</b>	<b>\$ 238</b>	<b>\$ 272</b>	<b>\$ 268</b>	<b>\$ 605</b>	<b>\$ 610</b>	<b>\$ 256</b>	<b>\$ 290</b>

  

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Net assets attributable to contractholders, beginning of year</b>	\$ 257	\$ 291	\$ 264	\$ 540	\$ 144	\$ 153	\$ 27	\$ 48	\$ 56	\$ 61
Contractholders' contributions	2	7	4	6	3	3	-	-	-	-
Transfers between funds	-	(18)	-	(11)	1	(16)	-	(1)	-	-
Contractholders' withdrawals	(16)	(65)	(46)	(305)	(27)	(23)	-	(19)	(12)	(5)
Net increase (decrease) in net assets from operations attributable to contractholders	9	42	12	34	10	27	3	(1)	8	-
<b>Net assets attributable to contractholders, end of year</b>	<b>\$ 252</b>	<b>\$ 257</b>	<b>\$ 234</b>	<b>\$ 264</b>	<b>\$ 131</b>	<b>\$ 144</b>	<b>\$ 30</b>	<b>\$ 27</b>	<b>\$ 52</b>	<b>\$ 56</b>

  

	International Equity Fund (Indexed)	
	2017	2016
<b>Net assets attributable to contractholders, beginning of year</b>	\$ 83	\$ 93
Contractholders' contributions	-	-
Transfers between funds	1	(2)
Contractholders' withdrawals	(32)	(4)
Net increase (decrease) in net assets from operations attributable to contractholders	10	(4)
<b>Net assets attributable to contractholders, end of year</b>	<b>\$ 62</b>	<b>\$ 83</b>

## SEGREGATED FUNDS - FORTRESS

### Statement of Cash Flows

Years ended December 31, 2017 and December 31, 2016  
(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Contractholders' contributions	\$ 25	\$ 95	\$ 161	\$ 425	\$ 26	\$ 69	\$ 108	\$ 191	\$ 122	\$ 184
Transfers between funds	393	166	(124)	51	38	18	(227)	(1)	101	73
Contractholders' withdrawals	(358)	(393)	(1,969)	(2,008)	(75)	(77)	(817)	(1,337)	(633)	(713)
Proceeds on sale of investments	1,648	649	2,462	2,251	75	105	1,271	1,396	1,135	753
Purchase of investments	(1,708)	(517)	(530)	(719)	(64)	(115)	(335)	(249)	(725)	(297)
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Contractholders' contributions	\$ 2,943	\$ 1,813	\$ 44	\$ 40	\$ 37	\$ 18	\$ 79	\$ 107	\$ 77	\$ 155
Transfers between funds	3,799	(68)	(204)	(34)	(157)	(21)	(149)	(45)	(3,467)	(111)
Contractholders' withdrawals	(10,518)	(5,686)	(361)	(277)	(223)	(190)	(866)	(1,172)	(685)	(624)
Proceeds on sale of investments	12,663	6,127	615	312	388	223	1,047	1,217	4,179	755
Purchase of investments	(8,887)	(2,186)	(94)	(41)	(45)	(30)	(111)	(107)	(104)	(175)
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2017	2016	2017	2016	2017	2016
Contractholders' contributions	\$ 29	\$ 81	\$ 9	\$ 11	\$ 17	\$ 6
Transfers between funds	(13)	(5)	(31)	(20)	39	(6)
Contractholders' withdrawals	(209)	(272)	(191)	(70)	(112)	(25)
Proceeds on sale of investments	241	289	228	91	139	30
Purchase of investments	(48)	(93)	(15)	(12)	(83)	(5)
Increase (decrease) in cash during the period	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## SEGREGATED FUNDS - FORTRESS 2

### Statement of Cash Flows

Years ended December 31, 2017 and December 31, 2016  
(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Contractholders' contributions	\$ -	\$ 10	\$ 2	\$ 5	\$ 4	\$ 3	\$ 3	\$ 3	\$ 4	\$ 7
Transfers between funds	-	82	(10)	5	-	(15)	7	(3)	-	(21)
Contractholders' withdrawals	(3)	(32)	(70)	(94)	(10)	(26)	(54)	(321)	(51)	(24)
Proceeds on sale of investments	3	32	79	94	10	50	54	324	51	45
Purchase of investments	-	(92)	(1)	(10)	(4)	(12)	(10)	(3)	(4)	(7)
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Contractholders' contributions	2	7	4	6	3	3	-	-	-	-
Transfers between funds	-	(18)	-	(11)	1	(16)	-	(1)	-	-
Contractholders' withdrawals	(16)	(65)	(46)	(305)	(27)	(23)	-	(19)	(12)	(5)
Proceeds on sale of investments	16	85	46	316	27	39	-	23	12	5
Purchase of investments	(2)	(9)	(4)	(6)	(4)	(3)	-	(3)	-	-
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	International Equity Fund (Indexed)	
	2017	2016
Contractholders' contributions	-	-
Transfers between funds	1	(2)
Contractholders' withdrawals	(32)	(4)
Proceeds on sale of investments	32	7
Purchase of investments	(1)	(1)
Increase (decrease) in cash during the period	-	-
Cash, beginning of period	-	-
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>

## SEGREGATED FUNDS

### Statement of Investment Portfolio (Unaudited)

as at December 31, 2017

(in thousands of Canadian dollars)

#### SEGREGATED FUNDS - FORTRESS

Holdings	Fund Name	Issuer/Description	Cost	Market Value	% of Portfolio
88,786	Balanced Fund (Laketon)	Cda Life Managed Fund (Laketon)	\$ 4,670	\$ 6,784	7.25
17,198	Cdn. Equity Fund (Growth)	Cda Life Canadian Equity Fund (Laketon)	3,973	6,341	6.77
1,133,424	Enhanced Dividend Fund	Cda Life Enhanced Dividend Fund (Laketon)	33,734	56,240	60.09
38,682	Cdn Bond Fund	Cda Life Fixed Income Fund (Laketon)	6,126	6,740	7.20
20,814	Global Equity Fund	Cda Life Global Equity Fund	1,496	2,206	2.36
147,277	Cdn. Small-Cap Equity Fund	Cda Life Small Cap Equity Fund (Bissett)	2,666	3,692	3.94
199,265	Balanced Fund (McLean Budden)	Cda Life Balanced Fund (McLean Budden)	3,774	4,809	5.14
68,470	Cdn. Equity Fund (Value)	Cda Life Canadian Equity Fund (SRA)	1,696	2,398	2.56
21,230	Money Market Fund	Cda Life Money Market Fund (Laketon)	1,702	1,700	1.82
42,353	Cdn. Equity Fund (Core)	Cda Life Canadian Equity Fund (Bissett)	810	1,416	1.51
12,782	European Equity Fund	Cda Life European Equity Fund	304	373	0.40
20,412	Global Bond Fund	Cda Life International Bond Fund (Laketon)	345	354	0.38
31,395	Asia Pacific Equity Fund	Cda Life Far East Equity Fund	365	544	0.58
TOTAL NET ASSETS			\$ 61,661	\$ 93,597	100.00

#### SEGREGATED FUNDS - FORTRESS 2

Holdings	Fund Name	Issuer/Description	Cost	Market Value	% of Portfolio
10,950	Balanced Fund (Jarislowsky)	Cda Life Balanced Fund (Jarislowsky Fraser)	\$ 167	\$ 272	12.40
8,670	Cdn. Bond Fund (Indexed)	TDAM Emerald Canadian Bond Index Fund	156	161	7.33
5,648	Cdn. Equity Fund (Core 2)	Cda Life Canadian Equity Fund (Jarislowsky Fraser)	158	252	11.48
12,034	Money Market Fund 2	TDAM Emerald Short-Term Investment Fund	140	140	6.38
8,101	Cdn. Equity Fund (Growth 2)	Cda Life Canadian Equity Fund (Greystone)	189	234	10.66
24,089	Balanced Fund (Scheer Rowlett)	Cda Life Balanced Fund (SRA)	429	605	27.56
11,513	Balanced Fund (TDQC)	TDAM Emerald Balanced Fund	221	256	11.66
2,655	Cdn. Equity Fund (Indexed)	TDAM Emerald Canadian Equity Index Fund	105	131	5.97
3,485	Int'l Equity Fund (Indexed)	TDAM Emerald International Equity Index Fund	52	62	2.82
2,290	Global Equity Fund 2	Cda Life Global Equity Fund (McLean Budden)	33	52	2.37
1,403	U.S. Equity Fund (Indexed)	TDAM Emerald U.S. Market Index Fund	21	30	1.37
TOTAL NET ASSETS			\$ 1,671	\$ 2,195	100.00

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

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FaithLife Financial (the "Society") is a fraternal benefit society, incorporated by an Act of the Parliament of Canada on June 28, 1972. Its operations are governed by the Insurance Companies Act of Canada and the Insurance Acts of the provinces in which the Society operates. FaithLife Financial Segregated Funds are segregated funds established by the Society under the Insurance Companies Act.

## 1. Description of the Funds:

The FORTRESS® Funds consist of 13 segregated funds and the FORTRESS® 2 Funds consist of 11 segregated funds maintained by FaithLife Financial in respect of variable deferred annuity contracts issued under the FORTRESS® and FORTRESS® 2 Fund plans. The assets of each fund are segregated from the other assets of the Society and are invested in funds managed by third party investment managers. The Funds are not separate legal entities. The following Funds were established by a resolution of the Board of Directors of the Society:

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Asia Pacific Equity Fund	Canadian Equity Fund (Indexed)
Balanced Fund (Jarislowsky)	Canadian Equity Fund (Value)
Balanced Fund (Laketon)	Canadian Small Cap Equity Fund
Balanced Fund (McLean Budden)	Enhanced Dividend Fund
Balanced Fund (Scheer Rowlett)	European Equity Fund
Balanced Fund (TDQC)	Global Bond Fund
Canadian Bond Fund (Indexed)	Global Equity Fund 2
Canadian Bond Fund	Global Equity Fund
Canadian Equity Fund (Core 2)	International Equity Fund (Indexed)
Canadian Equity Fund (Core)	Money Market Fund 2
Canadian Equity Fund (Growth 2)	Money Market Fund
Canadian Equity Fund (Growth)	U.S. Equity Fund (Indexed)

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## 2. Basis of presentation and significant accounting policies:

### (a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the Board of Directors on February 21, 2018.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss that have been measured at fair value.

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

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## 2. Basis of presentation and significant accounting policies (continued):

### (c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Funds' functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

### (d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make certain critical accounting estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expense during the year. Actual results could differ from those estimates.

### (e) Financial instruments:

Investments are classified as financial assets at fair value through profit or loss.

Financial assets and financial liabilities at fair value through profit or loss are recognized initially on the trade date at which the Funds become a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognized on the date they originate.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognized in the statement of comprehensive income.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognized in the statement of comprehensive income.

### (f) Investment income:

Investment income comprises the changes in fair value of investments.

### (g) Investment expenses:

Expenses are recorded on the accrual basis.

### (h) Accounting standards issued but not yet applies:

IFRS 9, Financial Instruments:

On July 24, 2014 the IASB issued the complete amended IFRS 9. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

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## 2. Basis of presentation and significant accounting policies (continued):

(h) Accounting standards issued but not yet applies (continued):

IFRS 9 introduces new requirements for the classification and measurement of financial assets based on the business model in which they are held and the characteristics of their contractual cash flows. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. The standard also introduces additional changes relating to financial liabilities.

IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model.

The Society intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The financial reporting impact of adopting IFRS 9 is being assessed. The Society does not expect the standard to have a material impact on the financial statements.

## 3. Net asset value attributable to contractholders:

Each fund is subdivided into units and these units are attributed to individual contracts for the purpose of determining the value of the benefits under those contracts. A contractholder acquires no direct claim on the units or assets of a fund by purchasing a contract, but only the benefits which are provided under the contract. Units are attributed to and withdrawn from a contract when required by the terms of the contract.



# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

## 4. Management and administrative fees:

In return for investment management and administrative services, the Society is paid a management fee from the Funds. These fees are a per annum percentage of the daily average net assets of the Funds and are as follows:

### (a) FORTRESS® Funds:

	2017	2016
Money Market Fund	0.75%	0.75%
Canadian Bond Fund	2.60%	2.60%
Global Bond Fund	2.60%	2.60%
Balanced Fund (Laketon)	2.85%	2.85%
Balanced Fund (McLean Budden)	2.85%	2.85%
Enhanced Dividend Fund	2.90%	2.90%
Canadian Equity Fund (Value)	2.95%	2.95%
Canadian Equity Fund (Core)	2.95%	2.95%
Canadian Equity Fund (Growth)	2.95%	2.95%
Canadian Small Cap Equity Fund	3.75%	3.75%
Global Equity Fund	2.95%	2.95%
Asia Pacific Equity Fund	3.05%	3.05%
European Equity Fund	2.95%	2.95%

### (b) FORTRESS® 2 Funds:

	2017	2016
Money Market Fund 2	0.75%	0.75%
Canadian Bond Fund (Indexed)	2.35%	2.35%
Balanced Fund (Jarislowsky)	2.70%	2.70%
Balanced Fund (Scheer Rowlett)	2.70%	2.70%
Balanced Fund (TDQC)	2.45%	2.45%
Canadian Equity Fund (Core 2)	2.75%	2.75%
Canadian Equity Fund (Growth 2)	2.75%	2.75%
Canadian Equity Fund (Indexed)	2.50%	2.50%
U.S. Equity Fund (Indexed)	2.65%	2.65%
Global Equity Fund 2	2.90%	2.90%
International Equity Fund (Indexed)	2.65%	2.65%

\*Harmonized sales tax ("HST") is applicable on the management fees paid.

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

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## 5. Taxation of the funds:

Each fund is treated as a separate segregated fund trust under the Income Tax Act (Canada). Income and realized gains and losses, as applicable, are allocated to owners and their beneficiaries. Accordingly, under current tax legislation, there is no income tax liability owing by a fund.

## 6. Investments:

IFRS 7 requires the Funds to classify fair value measurements using a hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable of the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Funds invest in other investment funds and these investments are classified as Level 1 which are valued on a daily basis and redeemable on demand.

## 7. Financial instruments and associated risks:

In the normal course of business, the Funds are indirectly exposed to a variety of financial risks, including market risk (consisting of currency risk, interest rate risk and other price risk), credit risk and liquidity risk through their investment in underlying funds. The value of investments within the underlying funds' portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic and market conditions and company news specific to securities within an underlying fund. The level of risk depends on each underlying funds' investment objectives, which dictates the type of securities it invests in. The Manager seeks to manage these risks by employing experienced portfolio managers who invest in accordance with the investment objectives of the Funds as outlined in the simplified prospectus.

Specific financial risks that the Funds are indirectly exposed to through the underlying funds are as follows:

### (i) Currency risk

Currency risk is the risk that the fair value of, or cash flows associated with, a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments denominated in a currency other than the functional currency of the Funds.

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

## 7. Financial instruments and associated risks (continued):

### (ii) Interest rate risk

Interest rate risk arises when a fund invests in interest-bearing financial instruments. The fund is exposed to the risk the fair value of, or cash flows associated with, such financial instrument will fluctuate due to changes in the prevailing levels of market interest rates.

### (i) Other price risk

Other price risk is the risk that the market value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). All investments represent a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the market value of the financial instrument.

### (i) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation of commitment that it has entered into with a fund. Where a fund invests in debt instruments, this represents the main concentration of credit risk.

### (i) Liquidity risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time.

## 8. Underlying funds:

The financial statements for the underlying funds of third parties are available upon request from Member Services at the Society. The percentage ownership in the underlying funds is as follows:

### (a) FORTRESS® Funds:

	2017	2016
Money Market Fund	1.30%	1.11%
Canadian Bond Fund	6.17%	5.85%
Global Bond Fund	1.75%	1.30%
Balanced Fund (Laketon)	3.43%	3.82%
Balanced Fund (McLean Budden)	49.14%	36.18%
Enhanced Dividend Fund	4.82%	5.10%
Canadian Equity Fund (Value)	23.88%	18.21%
Canadian Equity Fund (Core)	2.51%	3.24%
Canadian Equity Fund (Growth)	5.64%	5.73%
Canadian Small Cap Equity Fund	5.57%	8.96%
Global Equity Fund	2.72%	2.93%
Asia Pacific Equity Fund	1.00%	2.07%
European Equity Fund	0.97%	1.49%

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

## 8. Underlying funds (continued):

(b) FORTRESS® 2 Funds:

	2017	2016
Money Market Fund 2	0.01%	0.01%
Canadian Bond Fund (Indexed)	0.01%	0.01%
Balanced Fund (Jarislowsky)	1.48%	0.86%
Balanced Fund (Scheer Rowlett)	1.77%	1.06%
Balanced Fund (TDQC)	0.03%	0.04%
Canadian Equity Fund (Core 2)	1.19%	0.44%
Canadian Equity Fund (Growth 2)	12.80%	0.89%
Canadian Equity Fund (Indexed)	0.01%	0.01%
U.S. Equity Fund (Indexed)	0.01%	0.01%
Global Equity Fund 2	2.99%	2.35%
International Equity Fund (Indexed)	0.01%	0.01%

## 9. Management expense ratio:

The management expense ratio for a segregated fund is the ratio of the total expenses of the Fund, including GST and HST, divided by the average fund value. As these amounts are finalized in April of the subsequent calendar year, the percentages shown as at December 31, 2017 represent management's estimated ratio. The Society only offers one fee option for its segregated funds.

The Society currently absorbs the costs for auditing, regulatory compliance and mailing statements to policyholders although it is allowed to charge these costs to the Funds. If the costs had been charged to the Funds in 2017, each fund's management expense ratio would have increased by 0.06% (2016 - 0.06%).

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

## 9. Management expense ratio (continued):

The unaudited management expense ratios for each fund for the last five financial years are as follows:

### (a) FORTRESS® Funds:

	Estimated 2017	Actual 2016	Actual 2015	Actual 2014	Actual 2013
Money Market Fund	0.86%	0.86%	0.85%	0.85%	1.01%
Canadian Bond Fund	2.76%	2.88%	2.89%	2.87%	2.75%
Global Bond Fund	2.75%	2.85%	2.85%	2.85%	2.75%
Balanced Fund (Laketon)	3.14%	3.14%	3.14%	3.13%	3.04%
Balanced Fund (McLean Budden)	3.19%	3.18%	3.19%	3.17%	3.08%
Enhanced Dividend Fund	3.28%	3.28%	3.28%	3.27%	3.13%
Canadian Equity Fund (Value)	3.28%	3.29%	3.29%	3.29%	3.19%
Canadian Equity Fund (Core)	3.24%	3.24%	3.25%	3.25%	3.15%
Canadian Equity Fund (Growth)	3.22%	3.22%	3.22%	3.24%	3.14%
Canadian Small Cap Equity Fund	4.17%	4.17%	4.16%	4.15%	4.02%
Global Equity Fund	3.23%	3.23%	3.23%	3.22%	3.14%
Asia Pacific Equity Fund	3.35%	3.37%	3.37%	3.37%	3.23%
European Equity Fund	3.20%	3.20%	3.19%	3.19%	3.11%

### (b) FORTRESS® 2 Funds:

	Estimated 2017	Actual 2016	Actual 2015	Actual 2014	Actual 2013
Money Market Fund 2	0.86%	0.87%	0.86%	0.86%	1.03%
Canadian Bond Fund (Indexed)	2.60%	2.60%	2.61%	2.61%	2.49%
Balanced Fund (Jarislowsky)	2.96%	2.96%	2.97%	2.97%	2.87%
Balanced Fund (Scheer Rowlett)	2.83%	2.91%	2.90%	2.91%	2.82%
Balanced Fund (TDQC)	2.74%	2.74%	2.74%	2.74%	2.63%
Canadian Equity Fund (Core 2)	2.99%	2.99%	2.99%	2.99%	2.89%
Canadian Equity Fund (Growth 2)	2.96%	2.96%	2.97%	2.97%	2.87%
Canadian Equity Fund (Indexed)	2.77%	2.76%	2.77%	2.77%	2.66%
U.S. Equity Fund (Indexed)	2.94%	2.94%	2.94%	2.95%	2.88%
Global Equity Fund 2	3.02%	3.09%	3.09%	3.10%	3.02%
International Equity Fund (Indexed)	2.95%	2.95%	2.96%	2.95%	2.85%

# FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

## 10. Portfolio turnover ratio:

The portfolio turnover ratio for a segregated fund is the ratio of the lesser of the amounts of the purchases and sales of portfolio securities for the year by the average monthly portfolio value.

The unaudited portfolio turnover ratios for each fund for the last five financial years are as follows:

### (a) FORTRESS® Funds:

	2017	2016	2015	2014	2013
Money Market Fund	104.73%	30.43%	19.24%	18.23%	46.62%
Canadian Bond Fund	6.70%	7.43%	6.61%	3.63%	9.17%
Global Bond Fund	17.67%	25.17%	8.86%	5.13%	4.92%
Balanced Fund (Laketon)	5.00%	3.23%	4.80%	5.10%	6.34%
Balanced Fund (McLean Budden)	14.63%	5.90%	16.10%	10.48%	15.08%
Enhanced Dividend Fund	15.42%	4.19%	3.79%	6.68%	9.61%
Canadian Equity Fund (Value)	3.64%	1.63%	2.45%	2.52%	5.15%
Canadian Equity Fund (Core)	2.75%	1.83%	1.93%	3.30%	5.07%
Canadian Equity Fund (Growth)	1.72%	1.54%	2.43%	1.68%	2.83%
Canadian Small Cap Equity Fund	2.18%	2.39%	2.70%	5.09%	10.96%
Global Equity Fund	2.12%	4.29%	6.09%	7.00%	17.99%
Asia Pacific Equity Fund	2.47%	1.84%	4.63%	1.87%	7.54%
European Equity Fund	19.79%	1.29%	3.60%	5.41%	4.53%

### (b) FORTRESS® 2 Funds:

	2017	2016	2015	2014	2013
Money Market Fund 2	0.00%	47.50%	13.63%	0.08%	6.97%
Canadian Bond Fund (Indexed)	0.93%	3.44%	12.51%	2.63%	2.79%
Balanced Fund (Jarislowsky)	1.31%	4.29%	1.81%	1.73%	6.52%
Balanced Fund (Scheer Rowlett)	1.55%	0.36%	2.51%	0.76%	37.67%
Balanced Fund (TDQC)	1.54%	2.21%	4.93%	3.05%	12.90%
Canadian Equity Fund (Core 2)	0.97%	3.16%	2.38%	1.15%	13.97%
Canadian Equity Fund (Growth 2)	1.59%	1.36%	2.05%	3.79%	12.19%
Canadian Equity Fund (Indexed)	3.48%	1.95%	2.23%	2.42%	9.23%
U.S. Equity Fund (Indexed)	0.56%	9.17%	19.91%	2.35%	96.73%
Global Equity Fund 2	0.45%	0.43%	14.89%	0.83%	27.90%
International Equity Fund (Indexed)	2.67%	0.83%	9.63%	1.07%	3.98%

## Portfolio Top Holdings - FORTRESS®

as at December 31, 2017 (in Canadian dollars)

### FORTRESS® Money Market Fund

The Money Market Fund invests its assets in a Secondary Fund, Canada Life's Money Market Fund (Laketon) (S29). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
12,000,000	Government of Canada 0.611% 01-11-2018	11,958	11,997	8.2%
11,500,000	Government of Canada 1.163% 03-22-2018	11,445	11,472	7.9%
11,000,000	Government of Canada 0.906% 02-22-2018	10,964	10,983	7.5%
10,000,000	Government of Canada 0.896% 01-25-2018	9,961	9,994	6.8%
10,000,000	Government of Canada 0.976% 06-28-2018	9,900	9,949	6.8%
10,000,000	Government of Canada 1.41% 09-20-2018	9,863	9,899	6.8%
7,000,000	Government of Canada 0.645% 05-31-2018	6,946	6,976	4.8%
6,000,000	Government of Canada 1.275% 10-18-2018	5,928	5,939	4.1%
5,500,000	The Toronto-Dominion Bank 1.078% 01-12-2018	5,441	5,498	3.8%
5,000,000	Canadian Imperial Bank of Commerce 1.04% 01-24-2018	4,948	4,996	3.4%
5,000,000	Government of Canada 0.627% 03-08-2018	4,976	4,992	3.4%
5,000,000	Government of Canada 1.029% 05-17-2018	4,975	4,980	3.4%
4,000,000	National Bank of Canada 1.238% 01-02-2018	3,991	4,000	2.7%
4,000,000	Bank of Montreal 1.238% 01-23-2018	3,992	3,997	2.7%
4,000,000	Government of Canada 0.596% 02-08-2018	3,977	3,997	2.7%
4,000,000	Government of Canada 1.113% 06-14-2018	3,978	3,980	2.7%
4,000,000	Canadian Imperial Bank of Commerce 1.44% 05-16-2018	3,972	3,978	2.7%
4,000,000	Government of Canada 1.302% 07-26-2018	3,958	3,972	2.7%
4,000,000	Government of Canada 1.342% 08-23-2018	3,949	3,965	2.7%
3,000,000	Bank of Montreal 1.286% 02-21-2018	2,991	2,994	2.1%
3,000,000	Government of Canada 1.084% 04-19-2018	2,985	2,990	2.0%
3,000,000	The Toronto-Dominion Bank 1.509% 05-28-2018	2,978	2,982	2.0%
2,000,000	National Bank of Canada 1.295% 01-03-2018	1,994	2,000	1.4%
2,000,000	Royal Bank of Canada 1.23% 01-05-2018	1,996	2,000	1.4%
2,000,000	Canadian Imperial Bank of Commerce 1.265% 02-20-2018	1,994	1,996	1.4%

## FORTRESS® Canadian Bond Fund

The Canadian Bond Fund invests its assets in a Secondary Fund, Canada Life's Fixed Income Fund (Laketon) (S19). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Units, Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
16,856,000	Province of Quebec 4.25% 12-01-2043	19,210	20,868	3.9%
19,438,000	Canada Housing Trust No. 1 2.65% 03-15-2022	20,652	19,888	3.7%
19,171,000	Canada Housing Trust No. 1 1.25% 12-15-2020	19,176	18,811	3.5%
11,225,000	Province of Ontario 4.70% 06-02-2037	12,771	14,227	2.7%
13,783,000	Government of Canada 1.50% 06-01-2026	13,918	13,227	2.5%
11,984,000	Canada Housing Trust 2.40% 12-15-2022	12,204	12,133	2.3%
11,675,000	Canada Housing Trust No. 1 1.75% 06-15-2018	11,888	11,701	2.2%
8,786,000	Province of Ontario 4.65% 06-02-2041	10,585	11,323	2.1%
9,948,000	Province of Quebec 2.75% 09-01-2025	10,366	10,122	1.9%
9,831,000	Province of Ontario 2.60% 06-02-2025	10,172	9,895	1.9%
9,299,000	Province of British Columbia 3.20% 06-18-2044	9,035	9,850	1.9%
9,458,000	Royal Bank of Canada 2.99% 12-06-2024	9,518	9,582	1.8%
8,855,000	The Toronto-Dominion Bank 2.692% 06-24-2025	8,852	8,879	1.7%
6,522,000	City of Toronto 5.20% 06-01-2040	6,925	8,630	1.6%
8,298,000	Province of British Columbia 2.85% 06-18-2025	8,637	8,524	1.6%
7,622,000	Canada Housing Trust No. 1 2.90% 06-15-2024	8,205	7,914	1.5%
7,957,000	Province of Ontario 2.40% 06-02-2026	8,352	7,859	1.5%
7,652,000	Royal Bank of Canada 2.26% 03-12-2018	7,759	7,664	1.4%
7,299,000	Province of Ontario 2.80% 06-02-2048	6,915	7,104	1.3%
5,905,000	Muskrat Falls 3.86% 12-01-2048	6,032	7,051	1.3%
6,463,000	City of Montreal 3.50% 09-01-2023	6,545	6,810	1.3%
6,746,000	Canada Housing Trust No. 1 1.95% 06-15-2019	6,893	6,771	1.3%
6,375,000	The Toronto-Dominion Bank 2.621% 12-22-2021	6,699	6,424	1.2%
6,077,000	Suncor Energy Inc. 3.10% 11-26-2021	6,157	6,205	1.2%
5,826,000	Hydro One Inc. 3.20% 01-13-2022	5,962	6,012	1.1%



## FORTRESS® Global Bond Fund

The Global Bond Fund invests its assets in a Secondary Fund, Canada Life's International Bond Fund (Laketon) (S36). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Units, Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
3,100,000	Siemens Financieringsmat 2.35% 10-15-2026	3,971	3,682	3.4%
2,500,000	Corp. Andina De Fomento 2.125% 09-27-2021	3,296	3,084	2.9%
1,800,000	AT&T Inc. 2.35% 09-04-2029	2,733	2,751	2.6%
2,000,000	AXA SA Floating Rate 01-17-2047	2,647	2,726	2.5%
200,000,000	Government of Japan 1.90% 09-20-2030	2,839	2,717	2.5%
2,000,000	United States Treasury 1.75% 06-30-2022	2,514	2,472	2.3%
187,000,000	Government of Japan 1.40% 03-20-2034	2,269	2,429	2.3%
1,500,000	Barclays PLC 1.875% 12-08-2023	2,127	2,381	2.2%
175,000,000	Government of Japan 1.50% 03-20-2033	1,739	2,301	2.1%
200,000,000	Government of Japan 0.30% 03-20-2018	2,006	2,236	2.1%
1,400,000	Johnson & Johnson Inc. 1.65% 05-20-2035	2,045	2,194	2.0%
160,000,000	Asian Development Bank 2.35% 06-21-2027	2,101	2,177	2.0%
170,000,000	Government of Japan 1.20% 03-20-2035	1,729	2,145	2.0%
1,600,000	Sumitomo Life Insurance Floating Rate 09-14-2077	1,938	1,971	1.8%
1,280,000	Government of Germany 1.00% 10-12-2018	2,003	1,959	1.8%
1,500,000	United States Treasury 2.00% 02-28-2021	1,794	1,887	1.8%
150,000,000	Government of Japan 0.60% 03-20-2024	1,672	1,746	1.6%
1,583,000	Government of Australia 5.25% 03-15-2019	1,417	1,616	1.5%
130,000,000	Province of Ontario 1.65% 06-08-2020	1,817	1,509	1.4%
849,000	European Financial Stability Facility 3.375% 07-05-2021	1,166	1,446	1.3%
800,000	Government of Ireland 2.40% 05-15-2030	1,133	1,393	1.3%
122,000,000	Government of Japan 0.10% 06-20-2027	1,453	1,372	1.3%
1,050,000	Japan Tobacco Inc. 2.10% 07-23-2018	1,087	1,321	1.2%
1,050,000	United States Treasury 1.00% 09-15-2018	1,295	1,315	1.2%
850,000	European Financial Stability Facility 0.875% 04-16-2018	1,125	1,289	1.2%

## FORTRESS® Balanced Fund (Laketon)

The Balanced Fund (Laketon) invests its assets in a Secondary Fund, Canada Life's Managed Fund (Laketon) (S35). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Units, Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
58,584	Royal Bank of Canada	3,968	6,014	3.2%
73,920	The Toronto-Dominion Bank	3,342	5,444	2.9%
61,936	The Bank of Nova Scotia	3,850	5,024	2.7%
29,900	Canadian Imperial Bank of Commerce	3,184	3,664	1.9%
36,400	Bank of Montreal	3,418	3,661	1.9%
52,200	BCE Inc.	3,099	3,152	1.7%
28,582	Canadian National Railway Co.	2,481	2,963	1.6%
64,870	Canadian Natural Resources Ltd.	2,692	2,914	1.5%
108,805	Manulife Financial Corp.	2,122	2,853	1.5%
2,200,000	Province of Quebec 4.25% 12-01-2043	2,502	2,724	1.4%
2,691,000	Canada Housing Trust No. 1 1.25% 12-15-2020	2,689	2,640	1.4%
2,542,000	Canada Housing Trust No. 1 2.65% 03-15-2022	2,700	2,601	1.4%
32,300	Magna International Inc.	1,906	2,301	1.2%
41,972	Brookfield Asset Management Inc.	1,798	2,297	1.2%
48,365	Open Text Corp.	2,100	2,162	1.1%
29,600	CGI Group Inc. Class A Sub. voting	1,405	2,022	1.1%
27,800	Loblaw Companies Ltd.	1,895	1,897	1.0%
1,486,000	Province of Ontario 4.70% 06-02-2037	1,715	1,883	1.0%
32,400	SNC-Lavalin Group Inc.	1,737	1,848	1.0%
1,886,000	Government of Canada 1.50% 06-01-2026	1,905	1,810	1.0%
42,300	Metro Inc.	1,826	1,703	0.9%
1,615,000	Canada Housing Trust 2.40% 12-15-2022	1,645	1,635	0.9%
98,472	Martinrea International Inc.	1,059	1,579	0.8%
10,700	Agrium Inc.	1,257	1,547	0.8%
11,342	Groupe Bruxelles Lambert SA	1,022	1,539	0.8%

## **FORTRESS<sup>®</sup> Balanced Fund (McLean Budden)**

The Balanced Fund (McLean Budden) invests its assets in a Secondary Fund, Canada Life's Balanced Fund (MFS McLean Budden) (S110). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
769,944	MFS Balanced Growth Fund	9,547	9,801	100.0%

## FORTRESS<sup>®</sup> Enhanced Dividend Fund

The Enhanced Dividend Fund invests its assets in a Secondary Fund, Canada Life's Enhanced Dividend Fund (S39). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Units, Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
1,055,252	Royal Bank of Canada	52,345	108,322	8.7%
1,383,242	The Toronto-Dominion Bank	47,727	101,876	8.2%
1,559,406	BCE Inc.	71,033	94,157	7.5%
1,151,093	The Bank of Nova Scotia	54,807	93,377	7.5%
1,247,257	Magna International Inc.	34,056	88,855	7.1%
712,935	Canadian Imperial Bank of Commerce	60,230	87,363	7.0%
841,470	Bank of Montreal	49,019	84,643	6.8%
1,297,755	Suncor Energy Inc.	41,425	59,891	4.8%
1,029,752	TELUS Corp.	24,338	49,037	3.9%
712,622	National Bank of Canada	19,300	44,696	3.6%
785,772	Sun Life Financial Inc.	29,551	40,766	3.3%
855,791	Saputo Inc.	17,964	38,665	3.1%
318,119	George Weston Ltd.	22,552	34,726	2.8%
1,266,509	Manulife Financial Corp.	29,898	33,208	2.7%
511,908	Rogers Communications Inc. Class B non-voting	20,537	32,788	2.6%
628,762	Vermilion Energy Inc.	22,576	28,722	2.3%
620,299	Fortis Inc.	16,474	28,603	2.3%
374,630	Loblaw Companies Ltd.	23,842	25,557	2.0%
672,579	Capital Power Corp.	15,115	16,471	1.3%
624,254	Potash Corp. of Saskatchewan Inc.	13,615	16,093	1.3%
768,627	First Capital Realty Inc.	10,191	15,926	1.3%
529,215	CI Financial Corp.	11,802	15,755	1.3%
146,332	Canadian National Railway Co.	11,354	15,167	1.2%
99,039	Agrium Inc.	11,916	14,319	1.1%
187,820	Methanex Corp.	9,985	14,304	1.1%

## **FORTRESS<sup>®</sup> Canadian Equity Fund (Value)**

The Canadian Equity Fund (Value) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (SRA) (S202). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
1,591,953	Scheer Rowlett Canadian Equity Fund Pooled	21,845	22,295	100.0%

## FORTRESS<sup>®</sup> Canadian Equity Fund (Core)

The Canadian Equity Fund (Core) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Bissett) (S103). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
741,481	Franklin Bissett Canadian Equity Fund Series O	82,663	115,456	100.0%

## FORTRESS® Canadian Equity Fund (Growth)

The Canadian Equity Fund (Growth) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Laketon) (S9). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Jnits, Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
134,479	Royal Bank of Canada	8,302	13,804	9.1%
187,100	The Toronto-Dominion Bank	7,517	13,780	9.0%
141,911	The Bank of Nova Scotia	8,587	11,512	7.6%
119,899	Brookfield Asset Management Inc.	4,765	6,561	4.3%
204,117	Manulife Financial Corp.	3,705	5,352	3.5%
23,152	Canadian Pacific Railway Ltd.	4,554	5,317	3.5%
112,673	Canadian Natural Resources Ltd.	4,891	5,061	3.3%
77,500	Rogers Communications Inc. Class B non-voting	4,102	4,964	3.3%
60,948	Restaurant Brands International Inc.	2,962	4,709	3.1%
68,515	Alimentation Couche-Tard Inc. Class B Sub. voting	2,581	4,494	2.9%
28,225	Dollarama Inc.	1,806	4,433	2.9%
98,000	Saputo Inc.	4,263	4,428	2.9%
63,511	CGI Group Inc. Class A Sub. voting	2,559	4,338	2.8%
92,600	Suncor Energy Inc.	3,670	4,273	2.8%
80,525	Sun Life Financial Inc.	3,380	4,178	2.7%
42,457	Onex Corp. Sub. voting	1,729	3,914	2.6%
34,408	Canadian National Railway Co.	2,487	3,566	2.3%
71,529	Enbridge Inc.	4,014	3,516	2.3%
14,300	The Home Depot Inc.	2,393	3,412	2.2%
2,500	Alphabet Inc. Class A	2,570	3,315	2.2%
2,200	Amazon.com Inc.	2,560	3,238	2.1%
89,712	Teck Resources Ltd. Class B	1,783	2,949	1.9%
112,352	Air Canada Variable Voting	937	2,908	1.9%
31,317	Waste Connections Inc.	1,913	2,792	1.8%
57,742	Open Text Corp.	2,536	2,582	1.7%

## **FORTRESS<sup>®</sup> Canadian Small Cap Equity Fund**

The Canadian Small Cap Equity Fund invests its assets in a Secondary Fund, Canada Life's Canadian Small Cap Equity Fund (Bissett) (S105). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
819,610	Franklin Bissett Small Cap Fund Ser O	61,680	66,372	100.0%



## FORTRESS® Global Equity Fund

The Global Equity Fund invests its assets in a Secondary Fund, Canada Life's Global Equity Fund (Setanta) (S34). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Jnits, Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
199,415	Owens-Illinois Inc.	5,359	5,564	3.3%
22,264	Berkshire Hathaway Inc. Class B	2,977	5,554	3.3%
47,072	Oshkosh Corp.	2,131	5,384	3.2%
41,936	DCC PLC	2,718	5,316	3.2%
108,708	CRH PLC	3,274	4,921	3.0%
135,735	Leucadia National Corp.	3,522	4,525	2.7%
97,198	Federated Investors Inc. Class B	3,314	4,413	2.7%
39,107	Microsoft Corp.	1,791	4,210	2.5%
5,841	Fairfax Financial Holdings Ltd. Sub. voting	2,854	3,910	2.4%
77,172	Johnson Controls International PLC	3,764	3,701	2.2%
45,848	Nike Inc. Class B	2,146	3,609	2.2%
74,199	Cisco Systems Inc.	2,081	3,576	2.2%
926,275	Melrose Industries PLC	2,298	3,323	2.0%
270,287	Lancashire Holdings Ltd.	3,196	3,129	1.9%
17,457	Johnson & Johnson Inc.	1,850	3,070	1.8%
15,248	Euler Hermes Group	1,811	2,804	1.7%
51,378	Keysight Technologies Inc.	2,256	2,690	1.6%
44,496	Oracle Corp.	1,624	2,648	1.6%
848	Samsung Electronics Co. Ltd.	1,067	2,543	1.5%
4,949	First Citizens BancShares Inc. Class A	1,191	2,510	1.5%
301,967	Telefonaktiebolaget LM Ericsson	2,435	2,493	1.5%
21,145	Lowe's Companies Inc.	1,244	2,473	1.5%
22,238	Steris PLC	1,358	2,449	1.5%
1,671	Markel Corp.	1,169	2,396	1.4%
17,105	Groupe Bruxelles Lambert SA	1,827	2,321	1.4%

## FORTRESS® Asia Pacific Equity Fund

The Asia Pacific Equity Fund invests its assets in a Secondary Fund, Canada Life's Far East Equity Fund (Mackenzie) (S38). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
168,858	Lyxor MSCI India UCITS ETF	3,527	4,246	8.0%
41,200	Tencent Holdings Ltd.	1,470	2,680	5.0%
693	Samsung Electronics Co. Ltd.	1,441	2,078	3.9%
189,000	Taiwan Semiconductor Manufacturing Co. Ltd.	1,479	1,828	3.4%
6,342	Alibaba Group Holding Ltd.	985	1,376	2.6%
125,600	AIA Group Ltd.	1,164	1,348	2.5%
13,598	Commonwealth Bank of Australia	1,094	1,069	2.0%
61,493	Treasury Wine Estates Ltd.	892	962	1.8%
811,000	China Construction Bank Corp.	799	939	1.8%
59,654	Challenger Ltd.	721	820	1.5%
199,282	Scentre Group	834	818	1.5%
27,438	BHP Billiton Ltd.	690	795	1.5%
60,500	Ping An Insurance (Group) Co. of China Ltd.	557	792	1.5%
25,691	Westpac Banking Corp.	811	789	1.5%
267,700	Malaysia Airports Holdings Berhad	684	731	1.4%
22,591	Australia and New Zealand Banking Group	634	635	1.2%
1,740	AmorePacific Corp.	660	624	1.2%
20,877	National Australia Bank Ltd.	631	604	1.1%
599,000	Industrial and Commercial Bank of China Ltd.	494	604	1.1%
46,500	China Mobile Ltd.	588	592	1.1%
74,210	a2 Milk Co. Ltd.	411	537	1.0%
5,498	Macquarie Group Ltd.	540	536	1.0%
130,000	Hon Hai Precision Industry Co. Ltd.	517	522	1.0%
3,723	CSL Ltd.	461	516	1.0%
10,995	Posco Chemtech Co. Ltd.	492	514	1.0%

## FORTRESS® European Equity Fund

The European Equity Fund invests its assets in a Secondary Fund, Canada Life's European Equity Fund (Setanta) (S37). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Units, Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
57,700	Diageo PLC	2,003	2,658	7.7%
17,385	Groupe Bruxelles Lambert SA	1,792	2,359	6.8%
17,670	DCC PLC	1,359	2,240	6.5%
583,956	Melrose Industries PLC	1,488	2,095	6.1%
233,020	Telefonaktiebolaget LM Ericsson	1,815	1,924	5.6%
173,818	Origin Enterprises PLC	1,667	1,664	4.8%
365,450	Vodafone Group PLC	1,534	1,452	4.2%
196,301	Fenner PLC	771	1,332	3.9%
270,681	LSL Property Services PLC	1,581	1,271	3.7%
11,426	Novartis AG Registered	1,062	1,216	3.5%
47,882	Smiths Group PLC	1,088	1,205	3.5%
16,936	Unilever NV CVA	1,129	1,197	3.5%
2,304	The Swatch Group AG B Share	1,176	1,182	3.4%
25,622	Liberty Global PLC Series C	1,453	1,091	3.2%
10,016	Sanofi SA	1,104	1,085	3.1%
87,438	Lancashire Holdings Ltd.	1,103	1,012	2.9%
45,052	GlaxoSmithKline PLC	1,207	1,003	2.9%
58,538	Merlin Properties Socimi SA REIT	856	997	2.9%
21,528	CRH PLC	827	975	2.8%
6,663	Ryanair Holdings PLC ADR	825	874	2.5%
20,259	Proximus Group	800	837	2.4%
77,735	Bank of Ireland PLC	807	837	2.4%
14,388	Kingspan Group PLC	381	790	2.3%
48,767	United Utilities Group PLC	798	687	2.0%
76,391	BP PLC	595	678	2.0%

## Portfolio Top Holdings - FORTRESS<sup>®</sup> 2

as at December 31, 2017 (in Canadian dollars)

### FORTRESS<sup>®</sup> 2 Money Market Fund 2

The Money Market Fund 2 invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> Canadian Short Term Investment Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
40,000,000	Bank of Montreal 3.21% due September 13, 2018	40,535	40,403	1.8%
40,000,000	Bank of Montreal due June 06, 2018	39,746	39,733	1.7%
35,706,000	bclMC Realty Corporation 2.79% due August 02, 2018	36,066	35,946	1.6%
35,000,000	Royal Bank of Canada 3.77% due March 30, 2018	35,395	35,193	1.5%
35,000,000	OMERS Realty Corporation 2.498% due June 05, 2018	35,423	35,133	1.5%
35,200,000	Plaza Trust due March 13, 2018	35,095	35,099	1.5%
34,875,000	Toyota Credit Canada Inc. 2.75% due July 18, 2018	35,356	35,082	1.5%
35,000,000	Toronto-Dominion Bank (The) 2.171% due April 02, 2018	35,375	35,062	1.5%
35,000,000	Bank of Nova Scotia (The) due June 18, 2018	34,744	34,745	1.5%
34,475,000	bclMC Realty Corporation 5.65% due January 05, 2018	35,909	34,475	1.5%
32,500,000	Storm King Funding due April 27, 2018	32,345	32,339	1.4%
31,000,000	Bank of Montreal 6.02% due May 02, 2018	31,955	31,452	1.4%
30,519,000	Royal Bank of Canada 2.26% due March 12, 2018	30,907	30,568	1.3%
30,000,000	National Bank of Canada due June 08, 2018	29,807	29,797	1.3%
29,500,000	Plaza Trust due March 20, 2018	29,397	29,406	1.3%
27,000,000	Royal Bank of Canada 2.82% due July 12, 2018	27,444	27,162	1.2%
27,000,000	Bank of Nova Scotia (The) 2.242% due March 22, 2018	27,332	27,048	1.2%
27,000,000	Canadian Imperial Bank of Commerce due June 19, 2018	26,805	26,802	1.2%
26,000,000	Sure Trust due April 03, 2018	25,897	25,900	1.1%
25,000,000	Royal Bank of Canada 2.89% due October 11, 2018	25,251	25,214	1.1%
25,000,000	Canadian Imperial Bank of Commerce 2.22% due March 07, 2018	25,265	25,036	1.1%
25,200,000	National Bank of Canada due September 12, 2018	24,923	24,910	1.1%
25,000,000	Bank of Nova Scotia (The) due April 23, 2018	24,884	24,886	1.1%
24,000,000	Bank of Nova Scotia (The) due February 14, 2018	23,963	23,959	1.0%
22,000,000	Federation des caisses Desjardins du Quebec due January 09, 2018	21,994	21,991	1.0%

<sup>™</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

## FORTRESS<sup>®</sup> 2 Canadian Bond Fund (Indexed)

The Canadian Bond Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> Canadian Bond Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
62,160,000	Government of Canada 1.75% due September 01, 2019	63,635	62,248	1.4%
60,522,000	Government of Canada 1.50% due March 01, 2020	61,630	60,251	1.3%
40,575,000	Government of Canada 4.00% due June 01, 2041	54,012	53,215	1.2%
54,279,000	Government of Canada 0.75% due September 01, 2020	54,035	52,907	1.2%
52,625,000	Government of Canada 0.50% due February 01, 2019	52,228	52,043	1.1%
36,567,000	Government of Canada 5.75% due June 01, 2029	53,179	50,037	1.1%
41,754,000	Government of Canada 2.75% due December 01, 2048	46,822	46,247	1.0%
48,407,000	Government of Canada 0.50% due March 01, 2022	46,568	45,846	1.0%
42,967,000	Government of Canada 3.50% due June 01, 2020	47,415	44,764	1.0%
44,965,000	Province of Ontario 2.90% due December 02, 2046	43,289	44,551	1.0%
44,928,000	Government of Canada 1.50% due June 01, 2023	44,739	44,022	1.0%
41,410,000	Government of Canada 2.75% due June 01, 2022	44,480	43,021	0.9%
41,495,000	Government of Canada 3.75% due June 01, 2019	45,791	42,715	0.9%
34,078,000	Government of Canada 3.50% due December 01, 2045	44,392	42,608	0.9%
39,984,000	Government of Canada 3.25% due June 01, 2021	44,171	41,916	0.9%
40,836,000	Government of Canada 1.75% due March 01, 2019	41,461	40,931	0.9%
39,160,000	Canada Housing Trust No. 1 2.00% due December 15, 2019	39,427	39,332	0.9%
40,750,000	Government of Canada 0.75% due September 01, 2021	39,980	39,259	0.9%
37,983,000	Province of Ontario 2.60% due June 02, 2025	38,700	38,230	0.8%
34,798,000	Province of Ontario 3.45% due June 02, 2045	33,026	38,062	0.8%
34,822,000	Province of Ontario 3.50% due June 02, 2024	36,557	37,065	0.8%
25,721,000	Government of Canada 5.00% due June 01, 2037	35,418	36,929	0.8%
35,432,000	Province of Ontario 3.15% due June 02, 2022	36,403	36,864	0.8%
36,079,000	Canada Housing Trust No. 1 1.95% due June 15, 2019	36,285	36,214	0.8%
24,569,000	Government of Canada 5.75% due June 01, 2033	35,909	36,062	0.8%

<sup>™</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

## FORTRESS<sup>®</sup> 2 Balanced Fund (Jarislowsky)

The Balanced Fund (Jarislowsky) invests its assets in a Secondary Fund, Canada Life's Balanced Fund (Jarislowsky Fraser) (S233). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
1,243,374	Jarislowsky Fraser Balanced Fund Pooled	18,466	18,714	100%

## FORTRESS<sup>®</sup> 2 Balanced Fund (Scheer Rowlett)

The Balanced Fund (Scheer Rowlett) invests its assets in a Secondary Fund, Canada Life's Balanced Fund (SRA) (S610). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of</b> <b>Portf.</b>
<b>Investment In Units Of:</b>			
Canadian Equity Fund (SRA) SF202	6,224	11,941	34.9%
Bond Fund (SRA) SF199	6,972	9,944	29.1%
European & Pacific Equity Fund (SRA) SF205	2,774	5,237	15.3%
U.S. Equity Fund (SRA) SF221	2,154	4,923	14.4%
Money Market Fund (SRA) SF201	2,106	2,183	6.4%

## FORTRESS<sup>®</sup> 2 Balanced Fund (TDQC)

The Balanced Fund (TDQC) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> Balanced Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
5,783,553	TD Emerald Canadian Equity Index Fund	204,939	251,235	32.6%
19,437,339	TD Emerald Canadian Bond Index Fund	247,684	247,939	32.2%
5,091,092	TD Emerald U.S. Market Index Fund	73,894	124,754	16.2%
6,666,978	TD Emerald International Equity Index Fund	93,185	115,185	15.0%
3,174,866	TD Emerald Canadian Short Term Investment Fund	31,365	30,949	4.0%

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## **FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Core 2)**

The Canadian Equity Fund (Core 2) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Jarislowsky Fraser) (S232). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
631,672	Jarislowsky Fraser Canadian Equity Fund Pooled	19,768	21,331	100.0%

## **FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Growth 2)**

The Canadian Equity Fund (Growth 2) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Greystone) (S203). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
163,249	Greystone Canadian Equity Fund Pooled	4,019	4,316	100.0%

## FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Indexed)

The Canadian Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> Canadian Equity Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
3,153,561	Royal Bank of Canada	180,456	323,713	6.7%
3,999,242	Toronto-Dominion Bank (The)	158,909	294,544	6.1%
2,602,973	Bank of Nova Scotia (The)	138,171	211,153	4.3%
3,661,956	Enbridge Inc.	162,271	180,022	3.7%
1,622,220	Canadian National Railway Company	70,849	168,143	3.5%
3,589,883	Suncor Energy Inc.	132,135	165,673	3.4%
1,406,076	Bank of Montreal	85,621	141,437	2.9%
1,954,436	BCE Inc.	81,083	118,009	2.4%
958,322	Canadian Imperial Bank of Commerce	76,680	117,433	2.4%
1,904,798	TransCanada Corporation	87,056	116,536	2.4%
4,295,195	Manulife Financial Corporation	81,925	112,620	2.3%
2,353,180	Canadian Natural Resources Limited	73,430	105,705	2.2%
1,889,335	Brookfield Asset Management Inc.	45,411	103,384	2.1%
314,616	Canadian Pacific Railway Limited	33,492	72,255	1.5%
1,328,355	Sun Life Financial Inc.	42,668	68,915	1.4%
937,843	Alimentation Couche-Tard Inc., Class "B" SV	18,205	61,513	1.3%
1,290,493	TELUS Corporation	37,075	61,453	1.3%
737,240	Magna International Inc.	21,321	52,521	1.1%
572,260	Waste Connections Inc.	29,321	51,023	1.1%
777,306	Rogers Communications Inc., Class "B"	29,374	49,786	1.0%
1,091,084	Pembina Pipeline Corporation	34,362	49,655	1.0%
1,823,648	Potash Corporation of Saskatchewan Inc.	64,310	47,014	1.0%
738,273	National Bank of Canada	26,277	46,304	1.0%
2,531,443	Barrick Gold Corporation	79,996	46,022	0.9%
299,881	Agrium Inc.	24,336	43,357	0.9%

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## FORTRESS<sup>®</sup> 2 U.S. Equity Fund (Indexed)

The U.S. Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> U.S. Market Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
425,116	Apple Inc.	41,538	90,140	3.8%
638,771	Microsoft Corporation	34,748	68,462	2.9%
33,116	Amazon.com Inc.	20,239	48,524	2.1%
197,465	Facebook Inc.	23,492	43,659	1.8%
159,263	Berkshire Hathaway Inc.	23,227	39,555	1.7%
222,438	Johnson & Johnson	25,079	38,940	1.6%
287,304	JPMorgan Chase & Co.	20,394	38,496	1.6%
350,812	Exxon Mobil Corporation	32,928	36,764	1.6%
24,987	Alphabet Inc., Class "C"	13,726	32,760	1.4%
24,672	Alphabet Inc., Class "A"	20,803	32,564	1.4%
803,235	Bank of America Corporation	18,162	29,709	1.3%
366,906	Wells Fargo & Company	18,014	27,891	1.2%
508,343	AT&T Inc.	22,150	24,764	1.0%
157,231	Chevron Corporation	17,632	24,663	1.0%
210,915	Procter & Gamble Company (The)	18,759	24,281	1.0%
96,613	Home Depot Inc. (The)	10,445	22,943	1.0%
387,518	Intel Corporation	13,643	22,413	0.9%
493,568	Pfizer Inc.	16,840	22,399	0.9%
337,720	Verizon Communications Inc.	18,012	22,397	0.9%
80,222	Unitedhealth Group Incorporated	9,691	22,159	0.9%
150,122	Visa Inc.	9,922	21,447	0.9%
218,900	Citigroup Inc.	16,223	20,408	0.9%
409,365	Cisco Systems Inc.	13,048	19,645	0.8%
386,186	Comcast Corporation, Class "A"	11,727	19,379	0.8%
317,446	Coca-Cola Company (The)	13,959	18,248	0.8%

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## FORTRESS<sup>®</sup> 2 Global Equity Fund 2

The Global Equity Fund 2 invests its assets in a Secondary Fund, Canada Life's Global Equity Fund (MFS McLean Budden) (S111). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
86,344	MFS Global Research Fund	1,461	1,737	100.0%

## FORTRESS<sup>®</sup> 2 International Equity Fund (Indexed)

The International Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> International Equity Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares, or Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
695,134	Nestle SA	45,608	74,897	1.8%
722,600	iShares MSCI EAFE ETF	64,203	63,657	1.5%
4,489,499	HSBC Holdings PLC	48,934	58,356	1.4%
496,826	Novartis AG	36,379	52,636	1.2%
156,925	Roche Holding AG	35,184	49,735	1.2%
583,100	Toyota Motor Corporation	31,459	46,780	1.1%
512,280	British American Tobacco PLC	29,103	43,570	1.0%
1,007,495	Royal Dutch Shell PLC, Class "A"	34,952	42,349	1.0%
4,411,967	BP PLC	37,085	39,087	0.9%
530,632	TOTAL SA	32,711	36,760	0.9%
836,595	Royal Dutch Shell PLC, Class "B"	28,258	35,570	0.8%
219,520	SAP AG	16,029	30,864	0.7%
386,851	Commonwealth Bank of Australia	22,258	30,458	0.7%
170,871	Siemens AG	19,633	29,860	0.7%
3,608,067	Banco Santander SA	33,287	29,743	0.7%
100,407	Allianz SE	16,607	28,929	0.7%
184,708	Bayer AG	18,384	28,902	0.7%
2,696,997	AIA Group Limited	12,858	28,811	0.7%
205,152	BASF SE	16,546	28,316	0.7%
416,442	Novo Nordisk AS, Class "B"	14,255	28,149	0.7%
253,784	Sanofi	22,744	27,434	0.6%
562,630	Diageo PLC	14,750	25,986	0.6%
363,852	Unilever NV	14,539	25,705	0.6%
1,098,596	GlaxoSmithKline PLC	27,519	24,625	0.6%
282,729	AstraZeneca PLC	17,258	24,540	0.6%

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# Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## FORTRESS® Money Market Fund

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	80.06	80.11	80.27	80.24	79.99

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$1,700	\$1,642	\$1,776	\$1,482	\$1,725
Number of units outstanding <sup>(1)</sup>	21,230	20,497	22,140	18,473	21,560
Management expense ratio <sup>(2)</sup>	0.86%	0.86%	0.85%	0.85%	1.01%

## FORTRESS® Canadian Bond Fund

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	174.24	174.21	175.47	175.31	166.61

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$6,740	\$8,658	\$10,240	\$12,709	\$16,571
Number of units outstanding <sup>(1)</sup>	38,682	49,701	58,357	72,494	99,460
Management expense ratio <sup>(2)</sup>	2.76%	2.88%	2.89%	2.87%	2.75%
Portfolio turnover rate <sup>(3)</sup>	6.70%	7.43%	6.61%	3.63%	9.17%

## FORTRESS® Global Bond Fund

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	17.32	17.61	18.21	16.39	15.52

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$354	\$371	\$376	\$346	\$349
Number of units outstanding <sup>(1)</sup>	20,412	21,059	20,633	21,117	22,507
Management expense ratio <sup>(2)</sup>	2.75%	2.85%	2.85%	2.85%	2.75%
Portfolio turnover rate <sup>(3)</sup>	17.67%	25.17%	8.86%	5.13%	4.92%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

# Financial Highlights - FORTRESS®

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## FORTRESS® Balanced Fund (Laketon)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	76.41	73.15	70.93	69.24	64.46

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$6,784	\$7,404	\$8,333	\$9,238	\$9,477
Number of units outstanding <sup>(1)</sup>	88,786	101,213	117,486	133,417	147,024
Management expense ratio <sup>(2)</sup>	3.14%	3.14%	3.14%	3.13%	3.04%
Portfolio turnover rate <sup>(3)</sup>	5.00%	3.23%	4.80%	5.10%	6.34%

## FORTRESS® Balanced Fund (McLean Budden)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	24.13	22.31	21.71	20.99	19.25

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$4,809	\$4,825	\$5,145	\$4,271	\$4,888
Number of units outstanding <sup>(1)</sup>	199,265	216,294	236,955	203,437	253,874
Management expense ratio <sup>(2)</sup>	3.19%	3.18%	3.19%	3.17%	3.08%
Portfolio turnover rate <sup>(3)</sup>	14.63%	5.90%	16.10%	10.48%	15.08%

## FORTRESS® Enhanced Dividend Fund

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	49.62	46.42	38.84	42.04	37.63

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$56,240	\$56,123	\$50,660	\$64,544	\$62,298
Number of units outstanding <sup>(1)</sup>	1,133,424	1,209,118	1,304,394	1,535,185	1,655,746
Management expense ratio <sup>(2)</sup>	3.28%	3.28%	3.28%	3.27%	3.13%
Portfolio turnover rate <sup>(3)</sup>	15.42%	4.19%	3.79%	6.68%	9.61%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.



# Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## FORTRESS® Canadian Equity Fund (Value)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	35.03	32.53	26.25	29.42	29.17

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$2,398	\$2,732	\$2,464	\$3,581	\$4,469
Number of units outstanding <sup>(1)</sup>	68,470	83,977	93,857	121,716	153,913
Management expense ratio <sup>(2)</sup>	3.28%	3.29%	3.29%	3.29%	3.19%
Portfolio turnover rate <sup>(3)</sup>	3.64%	1.63%	2.45%	2.52%	5.15%

## FORTRESS® Canadian Equity Fund (Core)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	33.43	32.29	26.93	29.91	27.60

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$1,416	\$1,702	\$1,602	\$2,003	\$2,349
Number of units outstanding <sup>(1)</sup>	42,353	52,715	59,485	66,961	85,118
Management expense ratio <sup>(2)</sup>	3.24%	3.24%	3.25%	3.25%	3.15%
Portfolio turnover rate <sup>(3)</sup>	2.75%	1.83%	1.93%	3.30%	5.07%

## FORTRESS® Canadian Equity Fund (Growth)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	368.68	341.75	319.50	337.64	310.15

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$6,341	\$6,782	\$7,446	\$8,920	\$9,596
Number of units outstanding <sup>(1)</sup>	17,198	19,846	23,304	26,419	30,941
Management expense ratio <sup>(2)</sup>	3.22%	3.22%	3.22%	3.24%	3.14%
Portfolio turnover rate <sup>(3)</sup>	1.72%	1.54%	2.43%	1.68%	2.83%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

# Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## FORTRESS® Canadian Small Cap Equity Fund

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	25.07	25.84	20.39	25.80	27.57

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$3,692	\$8,109	\$6,940	\$9,752	\$11,104
Number of units outstanding <sup>(1)</sup>	147,277	313,849	340,453	377,917	402,753
Management expense ratio <sup>(2)</sup>	4.17%	4.17%	4.16%	4.15%	4.02%
Portfolio turnover rate <sup>(3)</sup>	2.18%	2.39%	2.70%	5.09%	10.96%

## FORTRESS® Global Equity Fund

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	105.99	94.56	89.07	79.10	70.86

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$2,206	\$2,148	\$2,215	\$2,058	\$2,166
Number of units outstanding <sup>(1)</sup>	20,814	22,720	24,868	26,015	30,562
Management expense ratio <sup>(2)</sup>	3.23%	3.23%	3.23%	3.22%	3.14%
Portfolio turnover rate <sup>(3)</sup>	2.12%	4.29%	6.09%	7.00%	17.99%

## FORTRESS® Asia Pacific Equity Fund

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	17.34	13.77	14.41	15.16	13.88

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$544	\$615	\$729	\$1,025	\$1,190
Number of units outstanding <sup>(1)</sup>	31,395	44,614	50,574	67,595	85,774
Management expense ratio <sup>(2)</sup>	3.35%	3.37%	3.37%	3.37%	3.23%
Portfolio turnover rate <sup>(3)</sup>	2.47%	1.84%	4.63%	1.87%	7.54%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

# Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## **FORTRESS® European Equity Fund**

### **The Fund's Net Asset Value per Unit**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net asset value at Dec. 31 of year shown	29.21	26.15	27.21	22.00	22.42

### **Ratios and Supplemental Data**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net assets (000's) <sup>(1)</sup>	\$373	\$387	\$430	\$388	\$483
Number of units outstanding <sup>(1)</sup>	12,782	14,793	15,790	17,631	21,555
Management expense ratio <sup>(2)</sup>	3.20%	3.20%	3.19%	3.19%	3.11%
Portfolio turnover rate <sup>(3)</sup>	19.79%	1.29%	3.60%	5.41%	4.53%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

# Financial Highlights - FORTRESS® 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## FORTRESS® 2 Money Market Fund 2

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	11.63	11.60	11.58	11.54	11.50

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$140	\$142	\$83	\$62	\$94
Number of units outstanding <sup>(1)</sup>	12,034	12,268	7,178	5,397	8,208
Management expense ratio <sup>(2)</sup>	0.86%	0.87%	0.86%	0.86%	1.03%

## FORTRESS® 2 Canadian Bond Fund (Indexed)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	18.54	18.51	18.69	18.47	17.40

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$161	\$238	\$323	\$366	\$410
Number of units outstanding <sup>(1)</sup>	8,670	12,866	17,263	19,837	23,580
Management expense ratio <sup>(2)</sup>	2.60%	2.60%	2.61%	2.61%	2.49%
Portfolio turnover rate <sup>(3)</sup>	0.93%	3.44%	12.51%	2.63%	2.79%

## FORTRESS® 2 Balanced Fund (Jarislowsky)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	24.82	23.88	22.99	21.88	20.16

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$272	\$268	\$294	\$304	\$291
Number of units outstanding <sup>(1)</sup>	10,950	11,210	12,781	13,903	14,413
Management expense ratio <sup>(2)</sup>	2.96%	2.96%	2.97%	2.97%	2.87%
Portfolio turnover rate <sup>(3)</sup>	1.31%	4.29%	1.81%	1.73%	6.52%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

# Financial Highlights - FORTRESS® 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## FORTRESS® 2 Balanced Fund (Scheer Rowlett)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	25.11	23.52	21.79	21.61	20.58

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$605	\$610	\$879	\$977	\$978
Number of units outstanding <sup>(1)</sup>	24,089	25,949	40,335	45,227	47,520
Management expense ratio <sup>(2)</sup>	2.83%	2.91%	2.90%	2.91%	2.82%
Portfolio turnover rate <sup>(3)</sup>	1.55%	0.36%	2.51%	0.76%	37.67%

## FORTRESS® 2 Balanced Fund (TDQC)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	22.25	21.29	20.64	20.54	19.61

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$256	\$290	\$318	\$409	\$416
Number of units outstanding <sup>(1)</sup>	11,513	13,605	15,395	19,886	21,211
Management expense ratio <sup>(2)</sup>	2.74%	2.74%	2.74%	2.74%	2.63%
Portfolio turnover rate <sup>(3)</sup>	1.54%	2.21%	4.93%	3.05%	12.90%

## FORTRESS® 2 Canadian Equity Fund (Core 2)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	44.57	43.09	37.42	39.46	36.03

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$252	\$257	\$291	\$381	\$398
Number of units outstanding <sup>(1)</sup>	5,648	5,962	7,768	9,650	11,052
Management expense ratio <sup>(2)</sup>	2.99%	2.99%	2.99%	2.99%	2.89%
Portfolio turnover rate <sup>(3)</sup>	0.97%	3.16%	2.38%	1.15%	13.97%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

# Financial Highlights - FORTRESS<sup>®</sup> 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Growth 2)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	28.88	27.48	25.32	27.74	25.57

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$234	\$264	\$540	\$628	\$597
Number of units outstanding <sup>(1)</sup>	8,101	9,614	21,328	22,643	23,353
Management expense ratio <sup>(2)</sup>	2.96%	2.96%	2.97%	2.97%	2.87%
Portfolio turnover rate <sup>(3)</sup>	1.59%	1.36%	2.05%	3.79%	12.19%

## FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Indexed)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	49.37	46.34	39.22	44.38	42.82

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$131	\$144	\$153	\$243	\$258
Number of units outstanding <sup>(1)</sup>	2,655	3,111	3,899	5,468	6,028
Management expense ratio <sup>(2)</sup>	2.77%	2.76%	2.77%	2.77%	2.66%
Portfolio turnover rate <sup>(3)</sup>	3.48%	1.95%	2.23%	2.42%	9.23%

## FORTRESS<sup>®</sup> 2 U.S. Equity Fund (Indexed)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	21.64	19.57	18.64	15.77	13.32

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$30	\$27	\$48	\$48	\$41
Number of units outstanding <sup>(1)</sup>	1,403	1,389	2,555	3,032	3,095
Management expense ratio <sup>(2)</sup>	2.94%	2.94%	2.94%	2.95%	2.88%
Portfolio turnover rate <sup>(3)</sup>	0.56%	9.17%	19.91%	2.35%	96.73%

(1) As at December 31st of the year shown.

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(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

# Financial Highlights - FORTRESS® 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

## FORTRESS® 2 Global Equity Fund 2

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	22.65	19.73	19.92	17.14	15.71

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$52	\$56	\$61	\$59	\$76
Number of units outstanding <sup>(1)</sup>	2,290	2,843	3,087	3,450	4,847
Management expense ratio <sup>(2)</sup>	3.02%	3.09%	3.09%	3.10%	3.02%
Portfolio turnover rate <sup>(3)</sup>	0.45%	0.43%	14.89%	0.83%	27.90%

## FORTRESS® 2 International Equity Fund (Indexed)

### The Fund's Net Asset Value per Unit

	2017	2016	2015	2014	2013
Net asset value at Dec. 31 of year shown	17.68	15.52	16.31	14.05	14.27

### Ratios and Supplemental Data

	2017	2016	2015	2014	2013
Net assets (000's) <sup>(1)</sup>	\$62	\$83	\$93	\$79	\$124
Number of units outstanding <sup>(1)</sup>	3,485	5,323	5,718	5,631	8,671
Management expense ratio <sup>(2)</sup>	2.95%	2.95%	2.96%	2.95%	2.85%
Portfolio turnover rate <sup>(3)</sup>	2.67%	0.83%	9.63%	1.07%	3.98%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

## END OF AUDITED FINANCIAL STATEMENTS

Semi-annual unaudited financial statements are available upon written request to:  
Member Services, FaithLife Financial, 300-470 Weber Street North, Waterloo, Ontario N2L 6J2